



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

October 20, 1997

Grain Storage Dilemma. Grain producers and elevator managers in Kansas are experiencing record harvest, a grain storage capacity shortage, and an extensive rail transportation backlog. After a record summer harvest of 492 million bushels of wheat, which has already filled many of the state's elevators, Kansas is now trying to store the corn, soybean and milo harvest. Exacerbating the problem, is a congested and backlogged Union Pacific (UP) rail system. UP responded by obtaining 200 additional locomotives, hiring more than 1,500 employees and rearranging its shipping patterns to relieve congestion, according to UP spokesman Ed Trandahl. In addition to the rail congestion, farmers are not selling their grain in anticipation of higher prices in the coming months, further adding to the storage problems. Don Clough, manager of Satanta Co-op Grain Co., in southwest Kansas, said "Producer selling is very slow at this point." As a result of these situations, grain is being stored on the ground at many elevator. The Governor of Kansas, Bill Graves, has announced that the Kansas Department of Agriculture will issue conditional licenses allowing elevators to temporarily store farmer owned grain in non-licensed, private facilities. According to Tom Tunnell, president of the Kansas Grain and Feed Association, the state has 900 million bushels of federal and state licensed storage capacity. Tunnell said that the combined harvest of wheat, corn, soybeans and milo in Kansas will exceed 1.2 billion bushels this year. State elevators, incidentally, are not allowed to store farmer-owned grain outdoors, with or without the order. Under this emergency policy, however, a temporary storage site may be licensed immediately, while the financial and bonding information, which is usually required, may be delayed for 30 days. After that time, the Governor would likely declare a grain storage emergency or grain storage disaster, according to a Kansas Department of Agriculture official. (*Knight-Ridder, Bridge News, AP, USDA*)

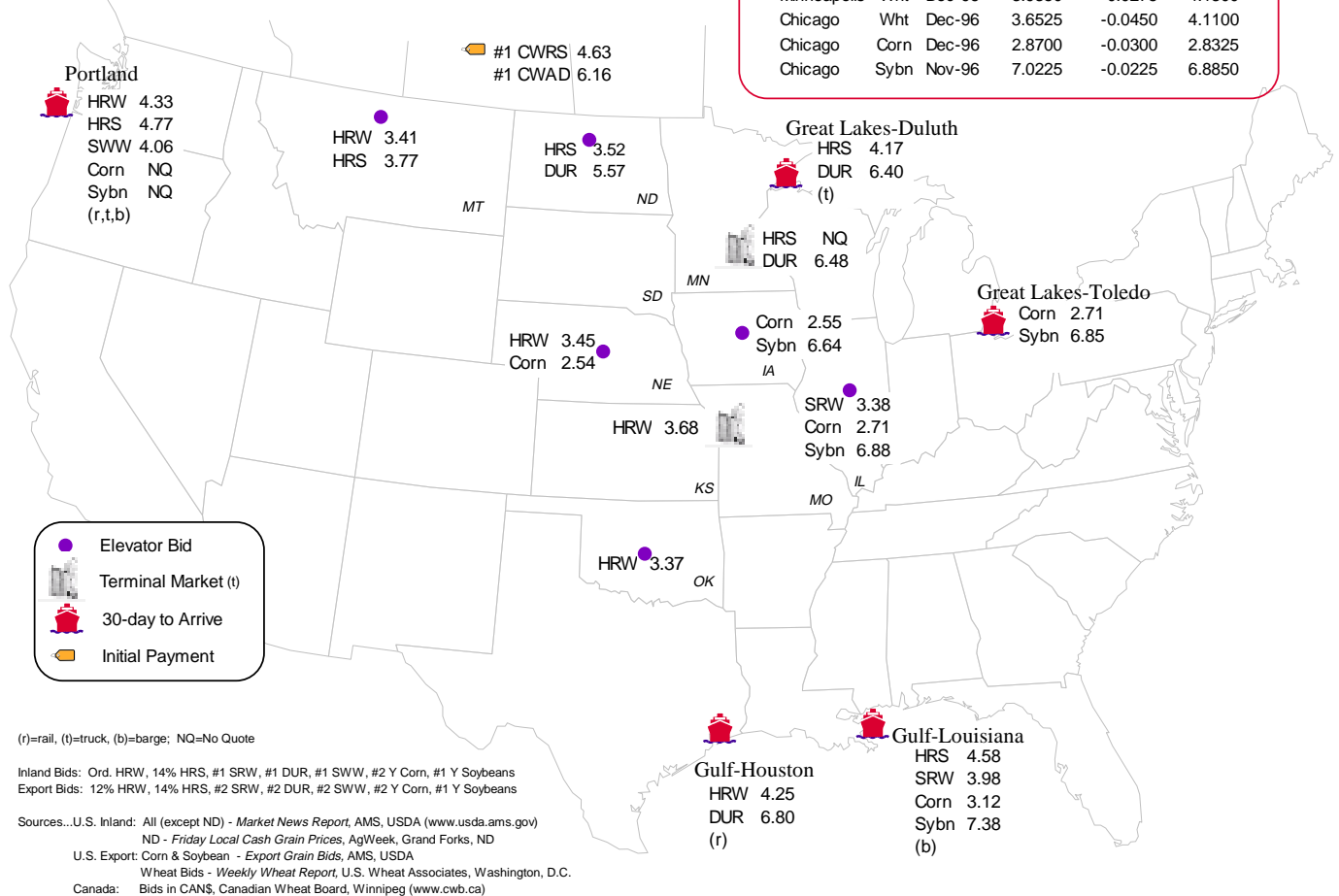
Union Pacific Problems Continue. While officials at Union Pacific (UP) are claiming that its rail service is improving, many of its customers are still having difficulty obtaining rail cars for inbound and outbound freight. Some shippers are seeking reparations and others have filed lawsuits against the rail line concerning service. UP officials have stated, in their "Service Recovery Plan," filed with the Surface Transportation Board on October 1, 1997, that it may take up to 90 days to restore timely service to some regions. Meanwhile, some elevators have begun to use the less economical truck transportation to move grain. Transporting by truck will eventually lower the bid price paid to farmers. Customers of the UP and Burlington Northern Santa Fe (BNSF) are also frustrated over new deadlines being imposed to load and unload rail cars. UP customers are allowed 15 hours, while BNSF allows 24 hours to load cars, after which time late charges are levied. "It really makes you wonder why we've got to load in 24 hours and then our employees sit there and watch the train sit there for two weeks," said Don Comer of the Aurora Co-op. A public hearing concerning rail service problems is scheduled to take place on October 27, 1997 in Washington, DC. (*Knight-Ridder, Bridge News, AP, USDA*)

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Grain Bid Summary

Futures:				10/16/97	Change	10/15/97	Year Ago
Kansas City	Wht	Dec-96		3.7675	-0.0225		4.3250
Minneapolis	Wht	Dec-96		3.9350	-0.0275		4.1300
Chicago	Wht	Dec-96		3.6525	-0.0450		4.1100
Chicago	Corn	Dec-96		2.8700	-0.0300		2.8325
Chicago	Sybn	Nov-96		7.0225	-0.0225		6.8850



Rail Car 'Auction' Offerings

Delivery for:	Nov-97		Jan-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	23,546	96%	20,191	29%
UP-GCAS	5,400	100%		

Source: Transportation & Marketing Division/AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Oct-97	Nov-97	Dec-97	Jan-98
BNSF-COT	\$325	\$279	\$212	\$199
CP-GEEP	\$162	\$125	\$93	\$100
UP-PoolERR		\$334	\$710	\$268

Source: TMD/ERS/USDA. Data from Atwood-Kellogg Co., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

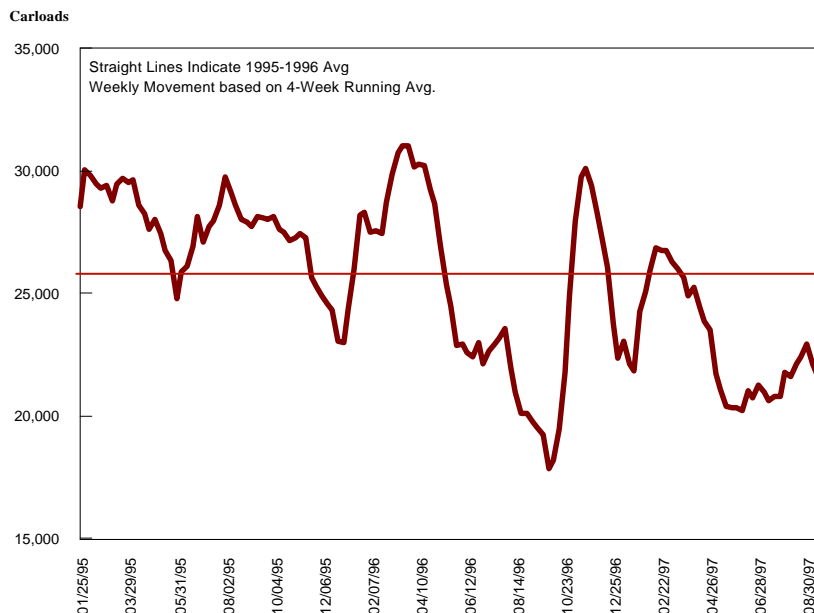
Delivery for:	Dec-97	Jan-98	Feb-98
COT/N. Wheat	\$77	\$90	\$80
COT/S. Corn	\$206	\$202	\$171

GCAS/Region 2

GCAS/Region 4

Source: TMD/AMS USDA. Data from www.bnsf.com, www.uprr.com,
 (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Grain Car Loadings for Class I Railroads



Class I Railroad Grain Car Loadings

Week Ending:	Carloads
9/27/97	22,168
10/04/97	24,636
10/11/97	25,968
Year to Date - 1997	914,836
Year to Date - 1996	990,217
Total 1996	1,284,527
Total 1995	1,428,694

Source: American Association of Railroads

Class I Rail Carrier Grain Car Bulletin

Carloads

	<u>East</u>							<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP		
10/04/97	631	2,237	2,139	2,882	9,421	805	6,274	3,145	5,951		
This Week Last Year	256	1,775	1,073	2,329	7,301	484	4,767	2,739	5,432		
1997 YTD	19,300	83,106	60,236	90,710	326,246	26,102	303,259	131,993	207,033		
1996 YTD	24,519	81,470	41,191	96,793	324,735	22,208	330,311	89,211	110,248		
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387		
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786				

Source: American Association of Railroads

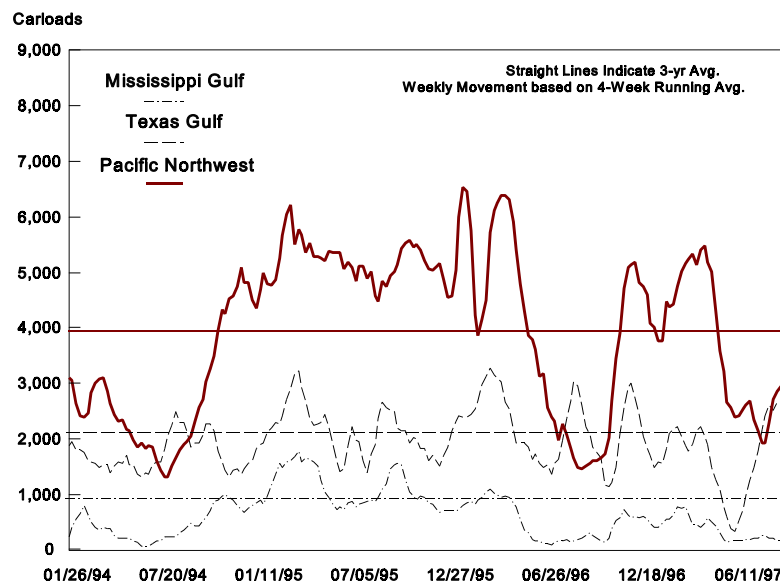
Rail Deliveries to Port

Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
09/24/97	271	2,210	3,247	47
10/01/97	417	2,664	3,249	37
10/08/97	608	1,630	3,866	234
YTD 1997	14,532	72,592	145,722	4,924
YTD 1996	19,244	87,654	147,090	8,413
Total 1996	25,560	112,397	197,897	11,090
Total 1995	57,124	111,028	268,783	15,437

Source: Transportation & Marketing Division/AMS/USDA
YTD-Year-to-Date

Rail Deliveries to Port



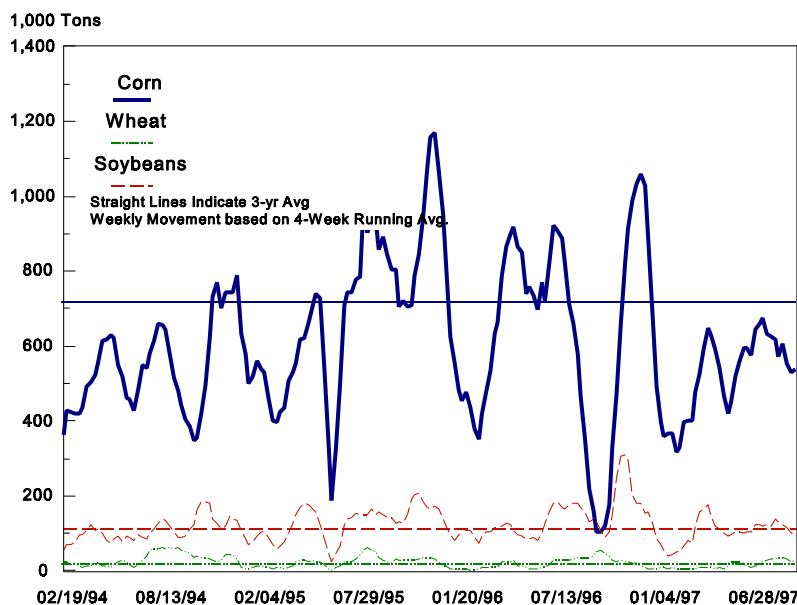
Barge Grain Movements

for week ending 10/11/97

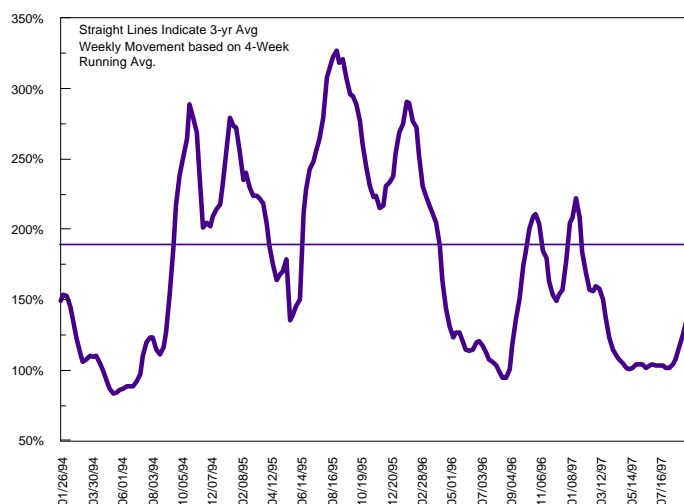
	Corn	Wheat	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	125	14	296	437
Winfield, MO (L25)	216	8	231	455
Alton, IL (L26)	400	11	474	909
Granite City, IL (L27)	419	48	493	984
Illinois River (L8)	182	3	201	402
Ohio (L52)	58	11	39	168
Arkansas (L1)	2	21	10	33
1997 YTD	21,828	2,257	5,685	32,302
1996 YTD	24,546	2,001	5,554	3,078
Total 1996	34,210	2,348	8,297	48,963
Total 1995	38,327	2,388	7,877	54,433

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

Barge Movements - Locks 27**Spot Barge Rate - Illinois River**

Index - Percent of Tariff Rate

**Southbound Barge Freight Rates**

	10/15/97	10/8/97	Nov. '97	Jan. '98
Twin Cities	268	270	267	nq
Mid-Mississippi	273	249	228	nq
Illinois River	257	244	197	192
St. Louis-Cairo	237	228	163	118
Lower Ohio	270	249	197	136
Cairo-Memphis	218	215	160	114

Source: Transportation & Marketing Division/AMS/USDA

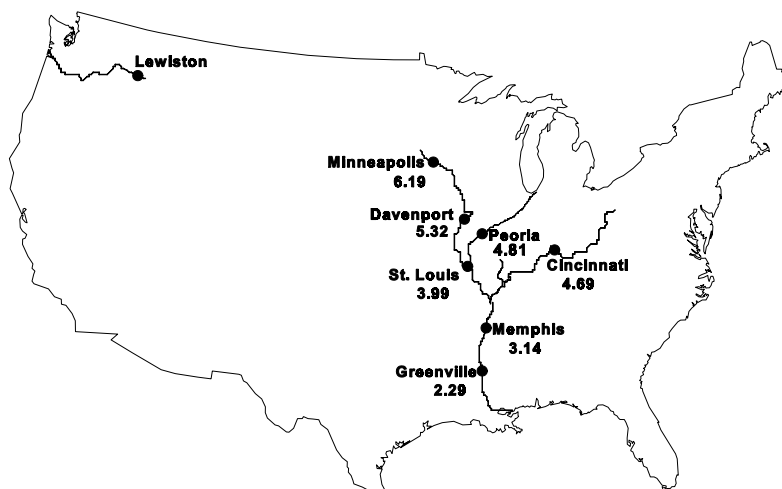
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Southbound Barge Freight Contract Rates*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
10/10/97		no trades reported	

* Merchants Exchange of St. Louis Daily Barge Call Session



U.S. Export Balances* (1,000 Metric Tons)

	<u>Wheat</u>						<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<i>SWW</i>	<i>DUR</i>	<i>All</i>			
<u>Unshipped Exports-Crop Year</u>									
10/09/97	1,778	571	1,048	796	393	4,587	7,279	10,722	22,588
This Week Year Ago	1,211	418	1,489	793	162	4,073	15,130	6,704	25,907
<u>Cumulative Exports-Crop Year</u>									
96/97 YTD	4,030	2,735	2,516	2,009	478	11,768	4,445	1,435	17,648
95/96 YTD	4,243	2,990	3,153	2,285	406	13,076	3,145	1,426	17,647
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Federal Grain Inspection Service YTD-Year-to-Date (ffas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
10/02/97	289	108	0	313	633	316	315	5	0
1997 YTD **	8,541	7,923	939	4,793	21,982	10,963	3,963	970	428
1996 YTD **	10,438	7,397	1,379	6,015	26,663	11,291	6,681	707	386
% of Last Year	82%	107%	68%	80%	82%	97%	59%	137%	111%
1996 Total	12,803	10,550	1,820	7,207	36,634	17,687	7,766	1,226	772

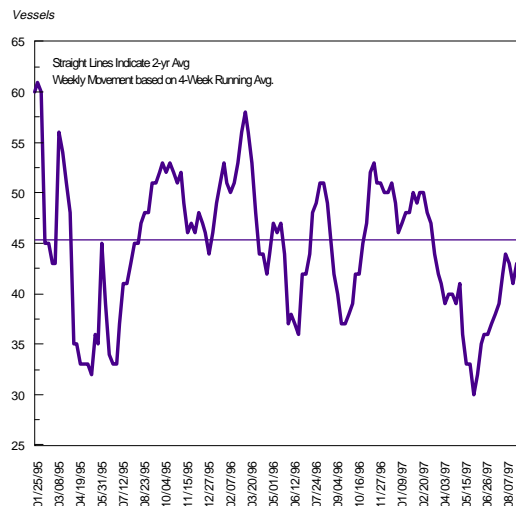
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Vancouver	1,409	172	208
Prince Rupert	675	0	123
Prairie Direct	139	62	32
Thunder Bay	179	198	63
St. Lawrence	1,207	246	1
1997 YTD Exports	3,609	678	427
1996 YTD Exports	1,917	861	429
% of Last Year	188%	79%	100%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31

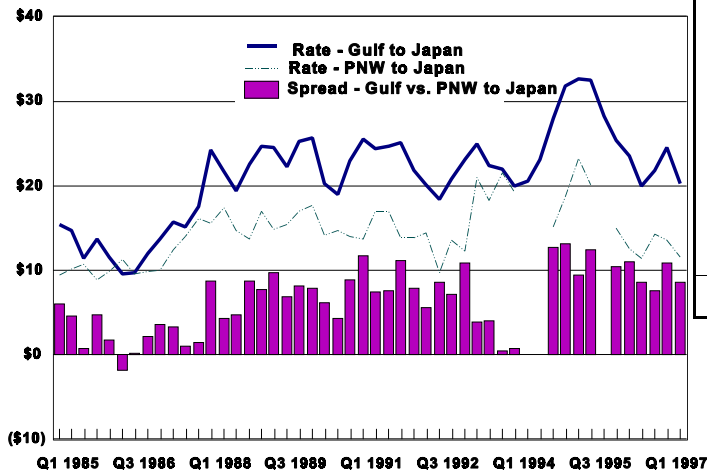
**Gulf Region
Vessels Loaded
- Past 7 Days-****Port Region Ocean Grain Vessels**

	<u>Gulf</u>			<u>Pacific Northwest</u>			<u>Vancouver, B.C.</u>		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
10/09/97	31	54	62	-	-	-	13	8	0
10/16/97	37	46	64	-	-	-	-	-	-
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						

Source: Transportation & Marketing Division/AMS/USDA

Quarterly Ocean Freight Rates

US\$/Metric Ton



Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1996 1 st Qtr	1997 1 st Qtr	% Change		1996 1 st Qtr	1997 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$25.09	\$24.52	-2%	Japan	\$14.09	\$13.61	-3%
Korea	\$23.63			Korea	\$12.94	\$12.06	-7%
Taiwan	\$23.81	\$23.54	-1%	Taiwan	\$14.31	\$15.06	5%
Rotterdam	\$11.53	\$11.78	2%				
N. Africa	\$18.91	\$21.86	16%	Argentina to			
Venezuela	\$17.06	\$16.24	-5%	Japan	\$24.47	\$34.70	42%
Mexico	\$22.18	\$10.83	-51%	Rotterdam	\$22.18	\$15.62	-30%

Source: TMD/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Month	Vessel Size tons	Freight Rate \$/ton
Lakes	Spain	October	23,000	\$23.00
Lakes	Italy	October	22,000	\$24.00
Lakes	Tunisia	October	25,000	\$25.00
Gulf	Morocco	October	30,000	\$11.75
Gulf	Rotterdam	October	35,000	\$11.60
Gulf	Japan	October	54,000	\$22.00
Gulf	Taiwan	October	54,000	\$21.90

Source: Maritime Research Inc.

Tariff Rail Rates for Unit Train Shipments

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/24/97	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,588	\$23.48	\$0.78
10/02/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,241	\$38.48	\$1.27
09/25/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,350	\$12.25	\$0.41
08/15/96	43586	Wheat	Kansas City, MO	Portland, OR	\$3,491	\$31.68	\$1.05
07/13/97	43581	Wheat	Omaha, NE	Portland, OR	\$3,205	\$29.08	\$0.96
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
09/16/97	33110	Corn	Kansas City, MO	Houston, TX	\$1,500	\$11.97	\$0.42
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31030	Corn	Omaha, NE	Portland, OR	\$2,915	\$23.26	\$0.82
09/13/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,980	\$27.04	\$0.89
09/13/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,680	\$24.32	\$0.80

Approximate Load/Car = 100 tons

*Est. with Wheat=60 lb/bu; Corn=56 lb/bu; Soybean=60 lb/bu

Source: www.bnsf.com